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## Czech Republic

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### Organic

**Report Categories:**

Organic Products

Retail Food Sector

Dairy and Products

Grain and Feed

Snack Foods

Dried Fruit

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**Report Highlights:**

Consumer demand for a healthier lifestyle is driving the Czech's organic market's solid, steady expansion. The Czech system is based on the EU legal framework for organic agriculture. Presently domestic organic production satisfies roughly 40 percent of market demand for select unprocessed organic foods but remains non-existent for more consumer ready-to-eat products. The national strategy for organic agriculture, while ambitious, gives recognition that consumer demand would be accommodated through imports for the foreseeable future.

## Author Defined: **Definition**

The Czech Republic, as a member of the European Union (EU), applies the [EU legal framework for the organic agriculture](#). The Commission Regulation (EU) No. 271/2010 of March 24, 2010 is the most recent Act (English version linked [here](#)). It amended Regulation (EC) No. 889/2008 that defined detailed rules for the implementation of Council Regulation (EC) No. 834/2007, as regards the organic production logo of the European Union.

In the Czech Republic organic farming is called "*ecological farming*" and the organic products are called "*bio products*." According to the Czech Act on Ecological Agriculture No. 242/200, a *bio product* is raw material of plant or animal origin or of an animal obtained from ecological agriculture in accordance to the relevant EU regulations ([Council Regulation \(EEC\) No. 2092/91 of June 1991 on organic production of agricultural products and indications referring thereto on agricultural products and feedstuffs](#)). Bio foodstuff is a foodstuff produced in accordance with the previously mentioned regulation and in accordance with the general Czech food legislation (Food Act No. 1997/110, Decree No. 304/2004 on Food Additives, Decree No. 205/2004 on contaminants, and Decree No. 446/2004 on adding food supplements).

Main standards applied are:

- All farmers and entrepreneurs dealing with organic production (except for the retailers, who don't repack the products before sale) have to be certified and to be registered with the Ministry of Agriculture. The registration process will be described later, in the **Certification** section of this report.
- Restrictions on the use of fertilizers and pesticides which may have detrimental effects on the environment or which may result in the presence of residues in agricultural produce are deemed 'Principles' which must be applied on land parcels during a conversion period of at least two years prior to sowing or, in the case of perennial crops other than grassland, at least three years prior to the first harvest of products.
- Use of bioengineered plants or animals is not allowed.
- Pests, diseases and weeds shall be controlled by a combination of the following measures:
  - choice of appropriate species and varieties,
  - appropriate rotation program,
  - mechanical cultivation procedures,
  - protection of natural enemies of pests through provisions favorable to them (e.g. hedges, nesting sites, release of predators),
  - flame weeding.
- Production must take place in a unit, the land parcels and production and storage locations of which are clearly separate from those of any other unit not produced in accordance with rules for organic agriculture; processing and/or packaging workshops may form part of the unit, where activity is limited to processing and packaging of own agricultural produce.
- During preparation, a product or its ingredient may not be subjected to treatment involving

- the use of ionizing radiation.
- Animals raised in organic agriculture must be fed with organic feed and given access outdoors.
- Any operator, who produces, prepares or imports 'organic' products from a third country for the purpose of marketing them shall notify this activity to the competent authority (Czech Ministry of Agriculture) and submit his undertaking to the inspection system (Central Institute for Supervising and Testing in Agriculture).

For further details please see the European [Organic Farming Information System](#).

### **Coverage**

The Czech Republic is both a competitor and a producer market. Local organic production includes fruits, vegetables, grains, dairy products, meat, and herbs and spices. Organic farms present in the Czech Republic have increased from three in 1990, to 3,517 in 2010. The number of organic food producers has increased significantly as well, from 75 in 2001 to 626 in 2010.

U.S. dried fruits, nuts and almonds, grains (mainly buckwheat), pulses and oils hold the best prospects in the emerging Czech market.

Organic product marketing is supported by various programs capitalized by state and European Union funds:

- I Live Organic (Žiju bio) <http://www.jime-bio.cz/>

Focuses on providing useful information to consumers. Between October 10, 2007 – October 9, 2010, funding support totaled CZK28 million, with 50 percent of funds originating from the European Commission.

- Month of Organic Food (Měsíc biopotravin) [www.mesicbiopotravin.cz](http://www.mesicbiopotravin.cz)

Since 2005 this program is held every year in September. It focuses on educating the general public about organic agriculture and products.

- Bioacademy <http://bio.bespin.cz/>

This major EU conference on organic farming within the Central and Eastern European Region takes place in summer.

### **Sources of Information**

The European [Organic Farming Information System](#) should be a primary source of information for further research on the European system.

**The Ministry of Agriculture, Czech Republic**, holds primary responsibility for the organic system, including maintenance of statistics about organic agriculture. Contact information:

Department for Ecological (= Organic) Agriculture

Jan Gallas, Head of Department

Address: Tesnov 65/17, 117 05 Prague 1, Czech Republic

Tel: +420 221 812 233

E-mail: [ekologickezemedlstvi@mze.cz](mailto:ekologickezemedlstvi@mze.cz)

URL: <http://eagri.cz/public/web/en/mze/agriculture/organic-farming/>

The website includes links to lists of organic farmers and producers of various organic products, as well as [importers](#) of organic products from the third countries.

**PRO-BIO** is the Czech Union of the organic farmers, producers, and traders. PRO-BIO has been promoting organic agriculture since its establishment in 1990. The union cooperates with leading European organic unions and associations, research institutes and is a member of International

Federation of Organic Agriculture Movements – IFOAM. In addition to promoting organic agriculture, PRO-BIO also provides consultation services and conducts educational activities.

Contact information:

Jirina Pavelkova, Foreign Cooperation,

Tel: +420 583 216 609

E-mail: [jirina.pavelkova@pro-bio.cz](mailto:jirina.pavelkova@pro-bio.cz)

URL: [www.pro-bio.cz](http://www.pro-bio.cz)

The website contains complete [address book](#) of all its members.

### **Trade shows:**

Biostyl - the seventh annual show on healthy nutrition and lifestyle took place on April 8-10, 2011 in Prague and included an extensive show on organic cooking. See [www.biostyl.cz](http://www.biostyl.cz) for more details on the show and its organizers.

### **Market Size**

Organic foods generated only 0.75 percent of total food sales last year. This share has gradually increased over the years. The Czech Ministry of Agriculture's goal is for such sales to reach three percent by 2015, as stated in the Ministry's Action Plan for Development of Organic Agriculture in 2011-2015.

The current value of organic products consumed in the Czech Republic is approximately 2 billion CZK (\$106.8 million), which is 3.5 times the value in 2005. The Czech organic market remains reliant on imported products, approximately 60 percent of total organic food supply, to satisfy local demand. The increased popularity of direct on-farm sales, organic boxes (direct deliveries of seasonal fruits & vegetables) and farmers' markets is driving the expansion of local product share in the Czech market. Supermarkets, followed by specialized organic stores and direct on-farm sales, are the primary distribution channels for organic products.

### **Production**

Domestic organic production and area of land for organic farming have witnessed steady growth over the years. In 2010, the number of organic food producers reached 626, a significant increase as compared to 2001 number of 75 organic food producers.

#### **Organic (bio) food producers 2001-2010**

Year	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
No. of Producers	75	92	96	116	125	152	253	422	497	626

Domestic organic production is represented mainly by beef, bread and pastry, milk and dairy products, and spices. Products are intended primarily for domestic processors or for local consumption. Organic milk and dairy products account more than one fifth of the Czech organic market in value, growing by 48 percent year-on-year from 2007 to 2008. In 2010, organic milk and dairy products value reached 400 million CZK (\$21.4 million).

Domestic organic production also includes fruits, vegetables, and products. However, this market segment is serviced mainly by imported products. In general, the domestic organic food products market would be classified as undeveloped. For example ready-to-eat organic meals are not produced locally though consumer demand for ready-to-eat organic meals is growing.

### **Area**

Area dedicated to organic farming amounts to 10 percent of the total agricultural land. Permanent grasslands represent the largest share of organic farm land. However, the area devoted to organic orchards and vineyards is on the increase.

	December 31, 2009 (Number)	<b>December 31, 2010 (Number)</b>	<b>Change January - December 2010 (Number)</b>	<b>Change January - December 2010 (percent)</b>
<b>Organic (ecological) farms</b>	2,689	<b>3,517</b>	828	31
<b>Agricultural land in organic (ecological) farming (Ha)</b>	398,407	<b>448,202</b>	49,795	13
<b>Organic farm land share vs total agricultural land (%)</b>	9.38	<b>10.55</b>	1.17	-
<b>Arable land (Ha)</b>	44,906	<b>54,937</b>	10,031	22
<b>Permanent grassland (Ha)</b>	329,232	<b>369,272</b>	40,040	12
<b>Permanent orchards (Ha)</b>	3,678	<b>5,128</b>	1,450	39
<b>Permanent vineyards (Ha)</b>	645	<b>803</b>	158	25
<b>Permanent hop- fields (Ha)</b>	8	<b>8</b>	0	0
<b>Other (Ha)</b>	19,890	<b>18,054</b>	- 1,836	-9

Interest in organic farming is growing.

<b>Year</b>	<b>Number of Farms</b>	<b>Agricultural Land in Organic Agriculture (Ha)</b>	<b>Share on the Total Land Fund (percent)</b>
1990	3	480	-
1991	132	17,507	0.41
1992	135	15,371	0.36
1993	141	15,667	0.37
1994	187	15,818	0.37
1995	181	14,982	0.35
1996	182	17,022	0.40
1997	211	20,239	0.47
1998	348	71,621	1.67
1999	473	110,756	2.58
2000	563	165,699	3.86
2001	654	217,869	5.09
2002	721	235,136	5.50
2003	810	254,995	5.97
2004	836	263,299	6.16
2005	829	254,982	5.98

2006	963	281,535	6.61
2007	1,318	312,890	7.35
2008	1,946	341,632	8.04
2009	2,689	398,407	9.38
<b>2010</b>	<b>3,517</b>	<b>448,202</b>	<b>10.55</b>

Organic farm land use category by percentage.

Area	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
<b>Arable land</b>	8.78	8.31	7.70	7.50	8.1	8.34	9.43	10.30	11.38	<b>12.27</b>
<b>Permanent grassland</b>	89.69	90.13	90.86	89.40	82.4	82.5	82.42	82.42	82.63	<b>82.38</b>
<b>Permanent cultures (orchards etc.)</b>	0.45	0.38	0.36	0.40	0.30	0.42	0.60	0.91	1.08	<b>1.33</b>
<b>Other</b>	1.08	1.18	1.08	2.70	9.2	8.74	7.55	6.37	4.91	<b>4.02</b>
<b>Total</b>	100	100	100	100	100	100	100	100	100	<b>100</b>

The Czech Ministry of Agriculture's goal is for the share of organic-agriculture-land on total area of agricultural land to reach 15 percent, as stated in the Ministry's Action Plan for Development of Organic Agriculture in 2011-2015.

### **Consumption**

Consumers who shop for organic products identified the most popular items as: milk and dairy products, followed by vegetables, fruits, meat and meat products, bread and pastry, beverages (juices), sweets, legumes, flour and other milling products, pasta per the 2010 survey commissioned by the Ministry of Agriculture.

According to that survey, the typical consumer of organic foods is an educated woman from a higher income household. Of 513 survey respondents, two-fifths purchase organic food products. On the other hand, four percent of respondents lacked awareness of organic products being available in the Czech Republic.

When consumers shop for organic food, they most often purchase milk and dairy products (24 percent), vegetables, (23 percent), fruits (19 percent) and meat and meat products (12 percent).

Only one third of those who buy organic food, do so regularly, most often once a week. The amount spent monthly on organic food is 500 CZK (\$26.7); approximately 17 percent of the total households spend for food.

### **Trade**

Approximately 60 percent of organic products on the Czech market are imported; the main suppliers being Western European countries of Germany and Austria. Most of foreign origin organic products enter the country through multi-national retail chains.

Imported items mainly include non-alcoholic beverages, pasta, and dairy and meat products.

Regarding processed products baby foods represented the largest share on imports followed by oils, condiments, spreads, sweeteners and sweets, and snack food. Products typically imported from third countries such as China, Canada, India, Turkey, and the U.S. include teas, herbs and spices, molasses, and dried fruits and nuts. For list of contacts for importers for the third countries please see the following [spreadsheet](#) provided by the Czech Ministry of Agriculture.

Organic exports are mainly to Slovakia and other Eastern European countries. Relative to the volume of imports of products and commodities, exports are significantly lower. Major export items are grains for food and feed (nearly 50 percent of domestic organic grains production). For list of contacts for exporters of organic products to the third countries please see the following [spreadsheet](#) provided by the Czech Ministry of Agriculture.

### **Policy & Regulations**

The Czech Republic adheres to European Union organic policy and regulations. General information can be found at the European [Organic Farming Information System](#). For legal requirements the [EU legal framework for the organic agriculture](#) applies.

Country specific information about organic farming is available at the Ministry of Agriculture [website in English](#). The Czech Ministry of Agriculture actively promotes organic agriculture through public information and education campaigns.

An amendment to the Act on Ecological Agriculture is in under review. Its goal is to simplify national legislation on organic agriculture by removing duplication of requirements covered by EU regulation. The amendment will contribute to Agricultural Minister Fuksa's goal to reduce administrative burdens on farmers by making the registration process for organic farmers simpler and by cancelling an administrative fee of 1,000 CZK for registration. The Ministry considers the amendment would facilitate fulfillment of goals outlined for the area of organic agriculture listed in Ministry's Action Plan:

- Organic agriculture should reach 15 percent of market share on total agriculture production by 2015, and
- Domestic production should reach 65 percent of market share of the Czech organic food market by 2015.

Labels used for organic products are:

- Bio-zebra, the national label, which is issued to a farmer or producer by one of three certification bodies (listed in the chapter **Certification** of this report), authorized by the Act on Organic Agriculture no. 242/200 and Decree no. 16/2000. The label must include one of the following numbers of the proper certification body: CZ-BIO-001, CZ-BIO-002, or CZ-BIO-003. The logo is a registered trademark.



- EU organic label - the related European legislation is the Commission Regulation (EC) No

889/2008 and the Commission Regulation (EU) No 271/2010 of 24 March 2010.

Starting from July 2010 the EU organic logo is obligatory for all organic pre-packaged food products marketed within the European Union. It is possible to use the logo on a voluntary basis for non pre-packaged organic goods produced within the EU or any organic products imported from third countries. The logo is a registered collective trade mark.



Subsidies to organic farming are sourced from both EU and national funds. Since 2007 subsidies for organic farmers are sourced from the Common Agricultural Policy's Rural Development Program 2007-2013. In 2010, subsidy levels applied:

- a. 155 EUR/Ha for organic farming on arable land, excluding growing of vegetables and special crops,
- b. 89 EUR/Ha for 100 percent organic farming on grasslands, and 71 EUR/Ha for farmers who also practice conventional fading,
- c. 849 EUR/Ha for farming of vineyards, fruit orchards or hop-fields, and 510 EUR/Ha for extensive fruit orchards,
- d. 564 EUR/Ha for growing of vegetables and special crops on arable land.

Since 2007, organic farmers and producers also receive extra points in investment programs within Axis I and III categories:

- Modernization of agricultural holdings
- Setting up of young farmers
- Adding value to agricultural and food products
- Encouragement of tourism activities
- Diversification into non-agricultural activities

For greater detail on the Czech Republic's subsidy system see the Ministry of Agriculture website's [Subsidies](#) section.



### **Certification Organizations**

In the Czech Republic, every entrepreneur dealing with organic production (farmer, food producer, trader, feed producer, seeds supplier, bee keeper) must be certified and registered with the Ministry of Agriculture. The only exception is retailers who don't repack organic products. The certification complies with EU requirements. To register contact the Ministry of Agriculture attention:

Ms. Iva Sipkova  
Ecologic Agriculture Department  
Tel: +420 221 812 025  
E-mail: [iva.sipkova@mze.cz](mailto:iva.sipkova@mze.cz)

The Ministry of Agriculture recommends first that one of the designated certification and inspection bodies be consulted:

#### **KEZ o.p.s.**

Podebradova 909  
537 01 Chrudim  
Czech Republic  
Tel: +420 469 622 249  
Fax: +420 469 625 027  
E-mail: [kez@kez.cz](mailto:kez@kez.cz)  
URL: [www.kez.cz](http://www.kez.cz)

#### **ABCERT AG**

Pastrnkova 674/45  
615 00 Brno  
Czech Republic  
Tel: +420 545 215 899  
Fax: +420 545 217 876  
E-mail: [info@abcert.cz](mailto:info@abcert.cz)  
URL: [www.abcert.cz](http://www.abcert.cz)

#### **Biokont CZ, s.r.o.**

Merickova 159/34  
621 00 Brno  
Czech Republic  
Tel: +420 547 225 565  
Cell: +420 606 605 728  
E-mail: [slavik@biokont.cz](mailto:slavik@biokont.cz), [rozsypal@biokont.cz](mailto:rozsypal@biokont.cz)  
URL: [www.biokont.cz](http://www.biokont.cz)

After applying for inspection and certification with one of the above listed organizations, the entrepreneur would complete the registration form (available at the Agriculture Ministry [website](#)) and submit it to Ms. Sipkova. The Ministry would then issue a registration number or a decision on a transitional period.

### **Organic Support Organizations**

- PRO-BIO – Czech union of the organic farmers, producers and traders  
[www.pro-bio.cz](http://www.pro-bio.cz)
- Bioinstitut – research, education, extension  
[www.bioinstitut.cz](http://www.bioinstitut.cz)

- Biospotřebitel – consumer protection  
[www.biospotrebitel.cz](http://www.biospotrebitel.cz)
- Association of Consultants in Organic Agriculture in the Czech Republic  
[www.eposcr.eu](http://www.eposcr.eu)

### **Marketing**

Most of the organic foods sold in the Czech Republic are purchased by consumers in supermarkets followed by specialty organic stores and on-farm sales. Market share wise supermarkets account for 21 percent of organic sales, specialized organic stores account for 13 percent, and on-farm sales account for an additional 13 percent. Farmer markets account for five percent of organic foods.

However, farmers markets have mushroomed around the country the last two years and further growth in their popularity thus number of shoppers is projected. Various websites carry information about farmers markets, i.e., [www.ceskefarmarsketrhy.cz](http://www.ceskefarmarsketrhy.cz), [www.farmarske-trhy.cz](http://www.farmarske-trhy.cz), [www.farmarsketrziste.cz](http://www.farmarsketrziste.cz) and many others are dedicated to local markets.

The “Czech Market with Organic Foods 2008” publication issued by the Green marketing company ([www.greenmarketing.cz](http://www.greenmarketing.cz)) identifies the leading domestic companies in organic foods on the Czech market as:

1. Olma, a.s. – milk and dairy products
2. PRO-BIO, obchodni společnost s r.o. – grains, milling products, pasta and other intermediary products
3. Biopark s.r.o. - meats
4. Country Life s.r.o. – grains, pasta, breads
5. Slunecni brana s.r.o. – teas and spices

It also identifies the leading international brands being imported into the Czech Republic as: DeRit, Flapjack, Granovita, Lubs, Natur Compagnie, MolenAartje, Oskri, Probios, Provamel, Rapunzel, Rice&Rice, Vivaness, Zotter, Zwergenwiese, and others.

U.S. suppliers interested in the Czech market may wish to send feelers to [authorized Czech importers that focus on Imports from the third countries](#). U.S. product categories holding promising opportunities on Czech market include dried fruits, nuts and almonds, grains (mainly buckwheat) and pulses, oils, processed products and ready-to-eat meals.

The Green Marketing company reports the market value of processed products, the largest sector of the Czech organic market, at 615 million CZK (\$32.8 million). More recent data and market information can be acquired directly from the Green marketing company.

### **Prices**

In general, organic products are priced higher in the local market due to their higher cost of production. Compared to conventional products, organic products on average are priced 40 percent higher. According to the 2010 Ministry of Agriculture survey, 40 percent of the respondents stated that high price is the single most important reason why they decide not to buy organic products.

For 2010, the average currency exchange rate used for conversions:  
US\$1 = CZK18.7306